



REDACTED – FOR PUBLIC INSPECTION

March 19, 2012

VIA HAND DELIVERY

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20534

Ms. Lynne Hewitt Engledow
Pricing Policy Division
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: In the Matter of Connect America Fund, WC Docket No. 10-90; State Joint Board
on Universal Service High-Cost Universal Service Support, WT Docket No. 05-
337

Dear Ms. Engledow:

In accordance with the Protective Order issued in the above referenced dockets, USTelecom requests confidential treatment of the attachment accompanying this filing.¹ This confidential treatment is required because the CD-ROM contains data derived from third-party data sources that are subject to licensing agreements that limit public access.

Please contact the undersigned should you have any questions.

Sincerely,

David Cohen

FILED/ACCEPTED

MAR 19 2012

Federal Communications Commission
Office of the Secretary

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¹ Protective Order, *Developing a Unified Intercarrier Compensation Regime, Establishing Just and Reasonable Rates, Connect America, High-cost Universal Service Support, National Broadband Plan for Our Future*, 25 FCC Rcd 13160, DA 10-1749 (Sept. 2010).

**Before the
Federal Communications Commission
Washington, D.C. 20554**

FILED/ACCEPTED

MAR 19 2012

Federal Communications Commission
Office of the Secretary

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
State Joint Board on Universal Service High-)	WT Docket No. 05-337
Cost Universal Service Support.)	
)	

**COMMENTS OF
THE UNITED STATES TELECOM ASSOCIATION**

The United States Telecom Association (USTelecom) submits these comments in response to the Public Notice (Notice) issued by the Wireline Competition Bureau (Bureau) seeking comment on potential data for Connect America Fund Phase One incremental support.¹ In its Notice, the Bureau seeks comment on potential data, including wire center data submitted by Windstream, that can be used as inputs to the equation that will be used to determine distribution of \$300 million of additional, incremental universal service support to price cap carriers. It also seeks comment on a proposed list of wire centers that would be eligible to receive Connect America Fund Phase I (CAF Phase I) incremental support. USTelecom submits these comments on behalf of the following price cap carriers: AT&T, CenturyLink, Cincinnati Bell, Consolidated, Fairpoint, Frontier, Hawaiian Telcom, Verizon, and Windstream.

I. The Commission Should Use the Data Submitted by Windstream as a Basis for Determining Eligible Support Amounts in CAF Phase I

¹ Public Notice, *Wireline Competition Bureau Seeks Comment on Potential Data for Connect America Fund Phase One Incremental Support*, DA 12-137 (released Feb. 6, 2012) (Notice).

The Notice seeks comment on the appropriateness of the wire center data submitted by Windstream to be used in the equation adopted by the Federal Communications Commission (Commission).² Specifically, the Notice ask whether the Bureau should use the data as a basis for determining eligible support amounts in CAF Phase I.³ USTelecom on behalf of the price cap carriers listed above supports the use of the data submitted by Windstream to be used in the equation adopted by the Commission.

The Windstream data provides wire center specific demographics that are appropriate and reliable and give the Bureau all the necessary input variables that match the equation adopted by the Commission.⁴ The data were developed on a consistent basis across all the wire center areas included in the Windstream filing. Attachment 1 describes the specific sources of and modifications to data that Windstream previously recommended as input variables for the regression equation in Connect America Fund Phase I.⁵

The Notice also recognizes that Windstream's submission did not provide data for Alaska or the U.S. Territories. USTelecom takes no position on whether appropriate data may be

² See Letter from Jennie B. Chandra, Windstream Communications, Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 et al. (filed Jan. 20, 2012) (confidential filing) (*Windstream Letter*). Access to the confidential data in the Windstream filing is governed by the terms of the protective order. See *Connect America Fund*, WC Docket No. 10-90, et al., Protective Order, 25 FCC Rcd 13160 (2010). See also *supra* note 4 (identifying the cost estimation function's input variables).

³ Notice, p. 2.

⁴ Notice, n. 4.

⁵ *Windstream Letter*.

available for such areas, or whether any subsequent equation should be used to derive CAF Phase I support amounts for these areas.⁶

II. The Attached List of Wire Centers Should be Utilized by the Commission in its Analysis.

The Notice also seeks comment on the list of wire centers that are associated with price cap carriers, including the rate-of-return operating companies that are affiliated with price cap carriers that should be used in the equation to determine CAF Phase I incremental support.⁷ The list of potential wire centers contained in the Notice is based on the Telcordia LERG Routing Guide, and the Notice has requested comment on this proposed list.⁸ The Bureau intends to calculate eligible support amounts by cross-referencing its list of potentially eligible wire centers with its data source of input variables for its equation. In order to be included in the Commission's analysis, a wire center must appear on both lists.⁹

USTelecom proposes that the attached list should replace the one issued in the Notice.¹⁰ USTelecom agrees that it is important that the Bureau has an appropriate match of wire centers, reflecting the price cap corporate ownership, along with the variable input data used in the equation to determine CAF Phase I incremental support. In order to match the variable input data previously filed, the price cap carriers referenced in this filing have each conducted a review of the appropriate wire centers using the Common Language Location Identifier (CLLI) code.

⁶ *Id.*

⁷ *Notice*, p. 2.

⁸ *Id.*

⁹ *Notice*, n. 9.

¹⁰ Attachment 2 is a CD-ROM containing this information. As discussed in Section III of these comments, USTelecom is seeking confidential treatment of this data.

The CD-ROM attachment included with these comments contains a complete list of wire centers associated with the price cap carriers represented in this filing.

Although LERG information is often useful for certain purposes it does not provide a consistent match with the CLLI codes used in developing input variables for the regression equation. The commercial TomTom wire center boundary, however, does provide a means to determine an area of coverage for each service provider and therefore develop input demographic measures which can be used in the regression equation. Without the availability of the wire center boundaries, the regression equation input data can only be developed through special study. It is therefore undesirable to include wire centers that are not included in the TeleAtlas boundary files.

The represented price cap carriers have validated that the attached list provides the proper match of individual CLLIs and corporate ownership to be used when allocating CAF Phase I support. By using the attached list of wire centers in conjunction with the variable input data previously submitted, the Bureau will be able to ensure that its equation produces results that include all areas served by the represented price cap carriers, while avoiding duplication of areas.¹¹ To assist the Bureau in validating the accuracy of the enclosed list of wire centers, we have included in the file the following information for each CLLI:

¹¹ Since the wire center boundaries that were used to develop the variable input data was extracted from TeleAtlas at a point of time (*i.e.*, June 2010) there may have been limited instances where property has transferred across companies after this commercial data was published. It would therefore be impossible to have an absolute match in 100% of wire centers with the boundaries included in TeleAtlas and those currently shown on individual carrier records. However, for purposes of determining CAF Phase I results, which will be at a holding company level, it is important to use consistent data for all wire centers at a point in time and the filed data and CLLI listing provides that assurance and is the only viable alternative.

<u>Heading</u>	<u>Description</u>
CLLI	Eight digit CLLI
SAC	Study Area Code
SHORT NAME	Abbreviation of Corporate Affiliation (e.g., 'Wind' for Windstream)
INCLUDE	True or False as to whether CLLI should be included as Price Cap for equation
RURAL	Rural or Non-Rural – legacy classification of study area
TYPE	Cost, Frozen, Average Schedule – to identify cost type of price cap study area; based upon USAC First Quarter 2012 Appendices
RORorPC	Price Cap or Rate of Return

III. Request for Confidential Treatment

USTelecom requests confidential treatment of this information, pursuant to the Protective Order issued in these proceedings.¹² Consistent with *Protective Order* instructions, USTelecom has placed a label on the CD-ROM stating “CONFIDENTIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 05-337 and 10-90 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION.” This confidential treatment is required because the CD-ROM contains data derived from third-party data sources that are subject to licensing agreements that limit public access.

¹² Protective Order, *Developing a Unified Intercarrier Compensation Regime, Establishing Just and Reasonable Rates, Connect America, High-cost Universal Service Support, National Broadband Plan for Our Future*, 25 FCC Rcd 13160, DA 10-1749 (Sept. 2010).

IV. Conclusion

USTelecom respectfully requests that the Bureau adopt our recommendation that the wire center data that Windstream submitted as input variables be used in the equation adopted by the Commission. USTelecom also recommends that the list of wire centers issued in the Notice be replaced with the list of wire centers provided by the price cap carriers represented on this filing and included on the enclosed CD-ROM.

Respectfully submitted,
UNITED STATES TELECOM ASSOCIATION



By: _____

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Its Attorneys

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March 19, 2012

Attachment 1

HCPM Regression Data Preparation Process

The implementation of the High-Cost Proxy Model (“HCPM”) regression equation requires the following input variables:

- BusinessLocations
- CLLIRoadft
- LocDensity
- NearestCOFt
- HH

The purpose of this paper is to describe the specific sources of and modifications to data that Windstream previously recommended as input variables for the regression equation in Connect America Fund Phase I.¹³ These input variables were developed in a multi-step process. In the first step, census block-level data were produced and independent variables were summarized to the derived census block. In the second step, the data were associated to wire center boundaries.

Step One: Census Block Accumulation

For the purpose of this project, a census block is considered both as a point and polygon feature. Because different aspects of demographic and geographic data were available in Census 2000 or later, it was necessary to develop a single geometric object that would relate to multiple Census vintages.

To achieve this outcome, census block shapes were derived based upon 2009 TIGER/Line Shapefiles.¹⁴ Using 2009 TIGER/Line block data, each area record was preserved, along with its original full FIPS ID. The 2000 TIGER/Line full FIPS ID was added, as well as a unique key, CB, derived from both 2009 and 2000 TIGER/Line attributes for that feature.¹⁵ A crosswalk between the derived CB and TIGER 2000/2009 has been made available for download to individuals with access to USTelecom’s proposed CAF Phase II model.

The area and an interior centroid were calculated for this derived object. The interior centroid for the object was chosen based on the largest block that was dissolved into the combination 2009 block.

¹³ Letter from Jennie B. Chandra, Windstream Communications, to Marlene H. Dortch, Secretary, FCC, CC Docket No. 01-92; WC Docket Nos. 07-135, 10-90, 05-337; GN Docket No. 09-51 (Jan. 20, 2012).

¹⁴ <http://www.census.gov/geo/www/tiger/tgrshp2009/tgrshp2009.html>.

¹⁵ The unique key is STATEFP+COUNTYFP+TRACTCE00+BLOCKCE00.

Several independent variables were summarized to the derived block centroid. As these primitive variables were provided in terms of disparate Census vintages, care was taken during each relation not to under-count or double-count any particular element of data.

Based upon the TIGER/Line Face and Edge files, road lengths were calculated corresponding to each block. Only TIGER/Line features of MTFCC classes S1200, S1400, S1640, S1740 were included, based upon the CBLeft or CBRight attribution. This manner of attribution will double the centerline length where a feature has both 'sides' in the same block. If a feature has only one side in a census block, its length is only considered once.

Household counts per census block were derived based upon Geolytics 2010 estimates (Estimates Professional at Block Level).¹⁶ These were 2010 estimates in terms of Census 2000 blocks.

Business counts per census block were derived from Georesearch counts of business firms by census block.¹⁷ A small number of records would not join to any Census vintage (2009, 2000, or derived).

I. Step Two: Wire Center Boundary Accumulation

Wire center boundaries were derived from TomTom wire center boundary premium product (previously marketed as TeleAtlas) (0610).¹⁸

Central office locations were obtained from the TomTom data product as well. A single dominant switch (DOMSWITCH) record was derived for each wire center boundary. If no DOMSWITCH record was available, an interior centroid was used.

CLLIRdFt was derived as the sum of Road Lengths where the interior centroid of a derived census block falls within a wire center boundary.

The density of a wire center (LocDensity) was derived as the sum of the densities where the interior centroid of a derived census block falls within a wire center boundary.

HH was derived as the sum of households where the interior centroid of a derived census block falls within a wire center boundary.

BusinessLocations was derived as the sum of business counts where the interior centroid of a derived census block falls within a wire center boundary.

NearestCOFt represents the distance in feet to the closest central office. The nearest central office was determined using a nearest neighbor process. Distances were calculated based upon straight line calculations.

¹⁶ <http://www.geolytics.com>.

¹⁷ <http://www.georesearch.com>, extract July 2011.

¹⁸ <http://www.adci.com/html/tomtom.php>.

Summary

The following table summarizes the source of and modifications to the data presented as input variables for the regression model.

Input Variable	Data Source	Data Modification Methods	
		<i>Accumulation to census block</i>	<i>Accumulation to wire center boundary</i>
BusinessLocations	Georeports counts of business firms by census block	Relation on Census Block ID	Census block interior centroid within wire center boundary
CLLIRoadft	TIGER/Line	Filter features to census block, accumulate on CBLleft, CBRright attribute	Census block interior centroid within wire center boundary
HH	Geolytics 2010 estimates (Estimates Professional at Block Level)	Relation on Census Block ID	Census block interior centroid within wire center boundary
LocDensity	HH, BusinessLocations	Relation on Census Block ID	Census block interior centroid within wire center boundary
NearestCOft	DOMSWITCH locations from TomTom 0610 Wire Center Premium	n/a	In case of no DOMSWITCH, use interior centroid and then airline distance to nearest central office neighbor

Attachment 2

Attached CD-ROM.

[ATTACHMENT REDACTED]